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DESCRIPTION

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2007 SENATE APPROPRIATIONS

SB 2199

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2199

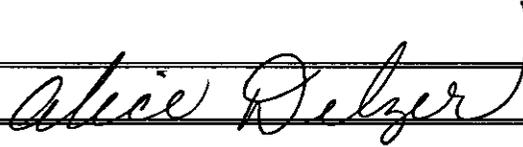
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-24-07

Recorder Job Number: 1766

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2199 at 11:10 am on the Agriculture Commissioner to defray the expenses for expanding the Pride of Dakota (POD) Program.

Many products produced through POD were distributed to the Senators.

Senator David Nething, District 12 testified in support of SB 2199, stating this is one of the most outstanding bills in this session. He stated POD started in 1985, finally some money was put into in 1991, and now the time has come to increase funding that has been allowed in the past, and you are going to hear the reasons for that from others that are going to testify. This program is worthy of the amount they are requesting. I know this committee is charged with the financial aspects of Legislation and I know that also in order to reach your conclusions you have to learn about the programs. I stand in support of the passing of SB2199. You will be impressed with the program.

Chairman Holmberg stated that there is a Subcommittee appointed to SB 2199, Senators Bowman or Christmann, Fischer and Krauter. It is the same Subcommittee that is looking at the budget for Agriculture Commissioner.

Representative Kathy K. Hawken, District 46 gave testimony in support of SB 2199. She shared about her involvement in one of the members of POD, helping in the beginning of her

business about 15 years ago, and testimony will be presented today from Bonnie Selvig about her business and where it is today because of POD. Because I have worked directly with the POD I know it is a neat thing to see this happening with the people of North Dakota. It creates jobs in small communities, keeps people in our state, adds to the tax revenue, it is marketing for our state as these products get shipped all over the country. It tells people that there are all kinds of neat things happening in North Dakota. This is not a Republican or Democrat bill, It's a North Dakota bill. I hope you will see your way clear to pass this bill. They add so much to our state.

Representative Lee Kaldor, District 20 gave testimony in support of SB 2199. It is important that this committee is aware of the products that are developed, manufactured and produced in North Dakota and marketed by POD and that these products really do go all over the nation. He shared on the success of the production of Lefsa, a potato based product.

Bonnie Selvig, Bonnie's Country Classics presented written testimony (1) and gave her personal testimony of the importance of POD and how it has helped her business.

Senator Wardner asked how many people she employs. He was informed that she contracts other companies to process and pack her product, so in that way, she is providing a source of employment to several people.

Deana Wiese, Administrator of North Dakota Ag coalition. Presented written testimony (2) and gave personal testimony in support of SB 2199. The Ag coalition has been a unified voice for North Dakota agricultural interests for 20 years. Today, we represent 30 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. For the past 21 years, the POD has been successful in assisting entrepreneurial ag-based ventures statewide.

Laura Hart, Candlelight Cottage gave testimony in support of SB 2199 and shared about her business making scented candles. It is now a wholesale company and she hires part-time help in the fall. She shared that POD has been very instrumental in marketing her product. **Senator Wardner** asked how many people in her employ. He was informed she hires 4 people in the fall.

Kari Warbry, Farmer's Market, Stanley, ND, a farmer's wife and entrepreneur gave oral testimony in support of SB 2199. She has made a successful business with producing and harvesting dried flowers. She said she had no idea what to do with the dried flowers after she harvested them, and was advised to join POD. They have been very instrumental in her success with her business, especially with trademarks and patents. She shared she started with ¼ acre and now is planting flowers on 2 acres.

Further discussion followed regarding if they were still farming, where are they located, and if she has any employees. She stated they lease out their land. Her husband is very supportive and helps her in the marketing of her products. Their farm is located near Stanley, they have a 4000 foot office in Stanley, hire 9 FTE and 18 PTE with disabilities, has been mentored and has been mentoring other producers through POD, subcontracts with other farm wives to produce her products and also stated she manufactures the product "FreshCab", which farmers use to keep mice out of their machinery. She also shared she uses the North Dakota Development Fund for some of her financing. When they purchased their first rototiller they thought "What an investment" and now they have a Bobcat to do the work. She is very excited and pleased with her business, and feels POD is helping her and others in the State to market their product in a productive way.

Greg Kempel, Maple River Winery, Casselton, ND gave oral testimony in support of SB2199. He produces fruit wines, specializing in Chokecherry and Rhubarb wines. They have

been a member of POD since 2002 and have seen great success through marketing with POD. One of the aspects we've used them for is getting into retail stores across North Dakota. He stated that his company purchases fruit from all over the state. It started as a hobby and has blossomed into a full blown business. He said it has been fascinating to see how retailers have embraced their product as well as the POD program. One of the things that is beneficial to his business is networking. On-line selling has allowed him to market his products with 35 different states. He is very proud that even people in New York State has the North Dakota Winery listed in their advertising brochures. The fact that the POD logo is on their products is a great boost for North Dakota in itself. Retailers want this guidance and training seminars that POD provides. His company employs 2 FTE's and will be adding a third FTE as well as an intern. We are working with NDSU on that. It's a very beneficial program. We are pioneering in manufacturing new products and a new product for us is taking our wine and making a wine jelly out of it. He passed the Rhubarb jelly around for everyone to see.

Senator Robinson asked about shelf space available in the retail outlets and if they do a wine tasting promotion time,

Senator Wardner asked about the consignment process with the winery.

Senator Krebsbach asked if any fruit is imported.

The committee was informed that they do not grow their own fruit. They purchase it from 300 producers across the state of North Dakota. People bring fruit in from all four corners of our state. It is a great marketing tool, as the product is right off the farm and farm fresh.

Depending of course upon mother nature, usually most of our fruit is produced in North Dakota. About 91% is North Dakota products and 9% from Minnesota.

Jeff Evanson, Whispering Waters, Bismarck, ND gave oral testimony in support of SB 2199. He produces cookbooks, namely the Lewis and Clark Cookbook and the Sakakawea Cookbook. He has sold 47,000 copies. Many were distributed to the Senators. Other members of POD were in the audience for this bill but did not testify.

Chairman Holmberg announced the Subcommittee will be looking at this bill. Hearing on SB 2199 was closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2199

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-13-07

Recorder Job Number: 2199

Committee Clerk Signature

Janet Pinks

Minutes:

Chairman Holmberg opened the hearing on SB 2199.

Senator Bowman moved a **DO NOT PASS** on SB 2199, **Senator Fischer** seconded.

Discussion took place. A roll call vote was taken resulting in 8 yes, 6 no, 0 absent.

Senator Bowman will carry the bill.

Chairman Holmberg closed the hearing on SB 2199.

Date: 2/13/07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2199

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DNP

Motion Made By Bowman Seconded By Fish

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter		✓
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas		✓
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern		✓
Senator Randel Christmann	✓		Senator Larry J. Robinson		✓
Senator Tom Fischer	✓		Senator Tom Seymour		✓
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson		✓
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 7 No 6

Absent _____

Floor Assignment Bowman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 13, 2007 2:32 p.m.

Module No: SR-30-3112
Carrier: Bowman
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2199: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO NOT PASS (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). SB 2199 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

SB 2199



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MEMBERS

- AmeriFlax
- Milk Producers Association of North Dakota, Inc.
- Minn-Dak Farmers Co-op
- North Dakota Ag Aviation Association
- North Dakota Ag Consultants
- North Dakota Agricultural Association
- North Dakota Agri-Women
- North Dakota Association of Soil Conservation Districts
- North Dakota Association of Agricultural Educators
- North Dakota Barley Council
- North Dakota Beef Commission
- North Dakota Corn Growers Association
- North Dakota Corn Utilization Council
- North Dakota Crop Improvement and Seed Association
- North Dakota Department of Agriculture
- North Dakota Dry Bean Council
- North Dakota Elk Growers
- North Dakota Farm Bureau
- North Dakota Farm Credit Council
- North Dakota Grain Dealers Association
- North Dakota Grain Growers Association
- North Dakota Lamb and Wool Producers
- North Dakota Oilseed Council
- North Dakota Pork Producers
- North Dakota Soybean Growers Association
- North Dakota State Seed Commission
- North Dakota Wheat Commission
- Northern Canola Growers Association
- Northern Plains Potato Growers Association
- Northern Pulse Growers Association
- Red River Valley Sugarbeet Growers

Testimony of Deana Wiese

North Dakota Ag Coalition

Senate Bill 2199

January 24, 2007

Chairman Holmberg and members of the Senate Appropriations Committee:

My name is Deana Wiese, and I am here today as the administrator of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I encourage your support of SB 2199, which provides funding for the expansion of the Pride of Dakota program.

The Ag Coalition has been a unified voice for North Dakota agricultural interests for 20 years. Today, we represent 30 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, these members seek to enhance the business climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on only a limited number of issues brought to us by our members. These are issues that have significant impact on North Dakota's agriculture industry. The expansion of the Pride of Dakota program is one these issues as it strives to strengthen North Dakota's agriculture economy.

For the past 21 years, the Pride of Dakota program has been successful in assisting entrepreneurial ag-based ventures statewide. The marketing opportunities and technical assistance provided to small rural businesses have given numerous agriculture-based families an important second income. The expansion of this program would provide increased marketing and growth opportunities for these businesses.

We appreciate your past support of the program and would encourage your support of SB 2199, which would allow for the expansion and growth of the Pride of Dakota program.

Pride of Dakota



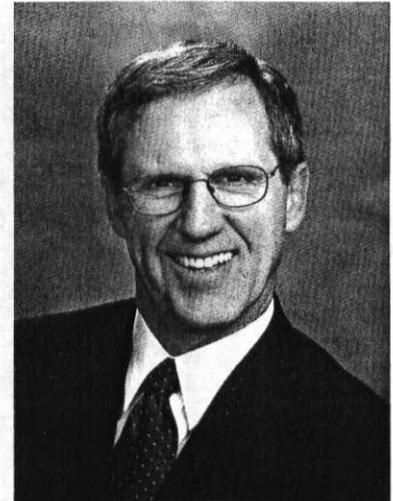
Consumer Survey Results
January 2007

Survey conducted by
the University of North Dakota Bureau of Governmental Affairs
on behalf of the
North Dakota Department of Agriculture

January 2007

Last spring, the North Dakota Department of Agriculture commissioned a survey to determine consumer awareness of the Pride of Dakota program and logo and consumer preferences in shopping and purchasing. The study also assessed consumers' opinions of promotion impact on purchasing decisions.

The University of North Dakota Bureau of Governmental Affairs conducted the survey in May 2006. Results of the survey will help create a future vision for a bigger and better Pride of Dakota program.



Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson".

Roger Johnson
Agriculture Commissioner

Survey Results

- Of the 599 respondents, 79 percent reported they have heard of Pride of Dakota. Television, logos on products, word of mouth, newspapers and radio ranked as the top five communication methods that raised program awareness in the last year.

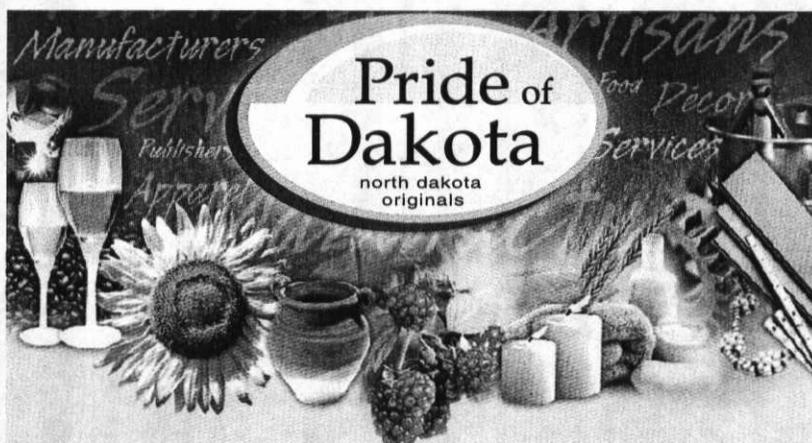


- Consumers who heard of Pride of Dakota (total of 470) were asked if they have seen the logo. A majority of consumers reported seeing the Pride of Dakota logo (90 percent). 47 percent of the respondents said it would be very useful to have a logo identifying North Dakota products while shopping.

- Consumers responded very positively when asked if they were more likely to purchase a product if they knew it was produced in North Dakota (79 percent said they would).

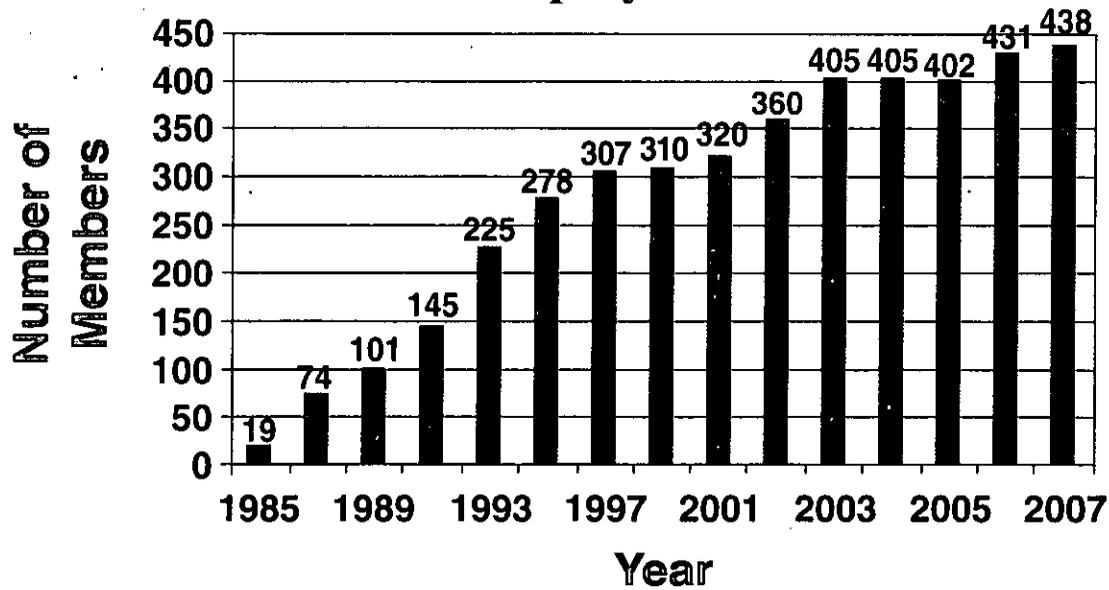


- 88 percent of respondents have purchased a Pride of Dakota product.
- 52 percent of respondents are willing to pay 1 to 10 percent more for products produced in North Dakota. 14 percent of the respondents would pay 11 to 20 percent more and four percent are willing to pay more than 20 percent.
- 85 percent of respondents would shop at a particular store, event or website that features Pride of Dakota products. 89 percent find it useful to have stores, event displays or websites that clearly identify North Dakota products.
- 18 percent of respondents said that promotional advertisements often influence decisions regarding products purchased. The majority of respondents, 52 percent, said that promotional advertisements sometimes influence their purchasing decisions.
- 78 percent of respondents think it is important to promote Pride of Dakota products within North Dakota, and 65 percent think it is very important to promote Pride of Dakota outside the state.



www.prideofdakota.com

Membership by Selected Year



Category	Number
Food & Beverages	150
Artisans & Gifts	146
Personal Care Products	23
Publishers	24
Manufacturers	48
Services	28
Associate Members/Non-profit	19
Total	438

Membership by General Category

Membership by Fee Level

Fee level	Number of companies
\$ 50.00	383
\$100.00	21
\$150.00	7
\$200.00	7
\$250.00	20